

NHS Lothian Internal Audit Report 2021/22 Absence Management

Assurance Rating: **Moderate Assurance**

Date: June 2022

Final Report

Contents

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1 Executive Summary

2 Management Action Plan

3 Appendices

Timetable

- Date closing meeting held: 9 May 2022
- Date draft report issued: 16 May 2022
- Date management comments received: 3 June 2022
- Date Final report issued: 9 June 2022
- Date presented to Audit and Risk Committee: 20 June 2022

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Executive Summary

Introduction

The National Attendance Policy for NHS Scotland was updated and became effective on 1 March 2020. Management are implementing this policy which has the purpose of allowing managers to better manage sickness absence. The policy is used for line managers to administer the management of their direct report's absence.

NHS Boards and the Scottish Government have agreed as part of the Local Delivery Plan (LDP) Standards that sickness absence rates should be 4% or less. For the financial year 2020/21, NHS Lothian had a sickness absence rate of 4.34% compared to the NHS Scotland average rate of 4.67%. These figures do not include COVID-19 related absences as these are reported via a different system.

Sickness absence of staff could result in cancelled appointments and procedures. It can also lead to increased pressure on staff and patients, increased costs of employing bank and agency staff, and reduced efficiency. Therefore, managing sickness and absence is vital to reduce costs and associated pressures with staff absences.

Scope

The objective of this review was to provide assurance over the processes and controls to manage sickness absence and to provide recommendations in line with good practice to assist management. This review covered sickness absence in the period 1 November 2020 to 31 October 2021. It was agreed with management to focus on areas with the highest sickness rates. Within this period these areas have been identified as:

- Support Services – 8.54%
- Nursing Midwifery – (grade 1-4) 8.48%, (grade 5+) 5.03%
- Dental Support – 5.55%

The scope of the review focused on the key risk areas below and mitigating controls in place, assessing their design and implementation.

We have considered the controls in place to the following risks to the organisation:

- Policies are not in place or communicated to all staff. staff and managers do not understand and/or are not aware of the actions to take when staff are sick or when trigger points are breached.
- Managers have not received appropriate training and as such do not feel comfortable, empowered or supported when following the policies and procedures.
- Departments and staff groups are inconsistent in their management of sickness absence processes or do not carry out key management actions required at sickness absence length trigger points or on return to work.

- Processes and controls to manage long and short term sickness absences are inadequate, not in alignment with the National Attendance Policy or not followed by staff or management.
- Reporting of levels of sickness absence is inaccurate and does not convey enough information to provide a useful insight into the root causes of local variance levels.

Approach

We have undertaken interviews with staff and performed sample testing relating to the management of short term, long term, recurrent absence and reporting. We have circulated a questionnaire testing manager's general awareness of absence management policy.

The period of testing covered by this review was 1 November 2020 to the 31 October 2021. As such we note that there were additional service pressures in place due to the pandemic, and we have taken that into account during the review.

A complete list of staff involved in the audit and documents reviewed can be seen at Appendix 1.

Acknowledgments

We would like to thank all staff consulted during this review for their assistance and cooperation.

Limitations in Scope

Please note that our conclusion is limited by scope. It is limited to the risks outlined above. Other risks that exist in this process are out with the scope of this review and therefore our conclusion has not considered these risks. Where sample testing has been undertaken, our findings and conclusions are limited to the items selected for testing.

Our work did not include the reporting responsibilities of the IJBs however it did consider the internal NHS Lothian reporting processes.

Our work includes testing assurances over the resilience plans, the role of IA is not to test the plans themselves.

This report does not constitute an assurance engagement as set out under ISAE 3000.

Summary of Findings

We have concluded that the controls in place in respect of NHS Lothian's absence management procedures provides a **MODERATE** level of assurance. The table below provides a summary of the findings. The ratings assigned are based on the agreed internal audit rating scale (**Appendix 2**).

Detailed findings, recommendations and agreed management actions are found in Section 2 of this report.

Moderate Assurance					
HIGH	MEDIUM	LOW	ADVISORY		
-	1	1	1		
Ref	Issue	H	M	L	A
1	Documentation is not always accessible to support the management of staff absences.	-	1	-	-
2	The NHS Lothian intranet contains both the up to date policy for absence management and out of date links and guidance.	-	-	1	-
3	The existing absence management reporting process could be strengthened with documented review by line managers of the statistics produced.	-	-	-	1
TOTAL		-	1	1	1

Conclusion

Our audit testing has found that management have implemented absence management procedures which comply with the NHS Scotland Attendance Management policy for management of staff absence. However, storage of documentation to evidence compliance is not universal throughout the areas we consulted as part of this review.

Follow Up

Approximately two weeks following issue of the final Internal Audit report, a member of the Audit Team will issue an 'evidence requirements' document for those reports where management actions have been agreed.

This document forms part of the follow up process and records what information should be provided to close off the management action.

The follow-up process is aligned with the meetings of the Board's Audit & Risk Committee. Audit Sponsors will be contacted on a quarterly basis with a request to provide the necessary evidence for those management actions that are likely to fall due before the next meeting of the Audit and Risk Committee.

Finding 1 – Documentation is not always accessible to support the management of staff absences.

Medium

Control

Documentation supporting the management of absence should be retained securely and be accessible to those who require it.

The following trigger points are prompts for conversations to take place between staff and line managers:

Stage 1 meetings are held at either 4 separate episodes of absence or short term absences totalling 8 or more working days within a rolling 12 month period or for longer term absence 29 calendar days or more. Steps outlined in the attendance checklist must have been met before the stage meeting. Steps include as communicating expected attendance levels to the employee

Stage 2 meetings are held when an employee has not met the attendance levels set in the Stage 1 meeting.

Stage 3 meetings are held when an employee has not met the attendance levels within a set review period, which may be extended for extenuating circumstances, as set in the Stage 2 meeting.

At each stage a letter notifying the employee of the staged meetings is sent at least 7 days prior to the meeting, 14 days prior for stage 3 hearings, using the standard letter template. The notification of the outcome of the meeting as sent within 7 days following the meeting should be retained.

Observation

We undertook sample testing of 45 long term absences. No documentation of interviews or return to work forms were available for. There was verbal evidence to suggest that the interviews had taken place. For the 5 long term absences with documentation we found the following:

- 3 did not have the required stage 1 interview documented
- 5 did not have a stage 2 interview documented
- One had a stage 3 meeting, but without a stage 1 or 2 interview

Additionally, we undertook sample testing of 45 reoccurring absences. We were not able to confirm the required interviews and return to work forms were completed for 36 of these due to a lack of documentation. For the 9 reoccurring absences with documentation we found the following:

- 4 did not have the required stage 1 interview documented
- 9 did not have a stage 2 interview documented
- One had a stage 3 meeting, but without a stage 1 or 2 interview

Supporting documentation is held individually by the line managers. Whilst this has some advantages in that the documentation is held confidentially and can only be sighted by the individuals who require access, we identified that locating information was challenging. This was impacted more so in instances where the line manager has left employment.

Risk

If NHS Lothian is unable to access employee absence/sickness records, they may be unable to defend themselves in event of challenge or provide the information required of them should it be required to support an employee through occupational health. This can result in employee distress and reputational damage.

Recommendation

Guidance should be issued to departments on how to store supporting information in relation to absence/sickness management. This should ensure access is restricted, but that access is not impacted when an employee leaves employment. Consideration should be given to looking at who should require access and visibility to supporting documentation (for instance line managers, HR and / or any others) and how that access can be provided.

Management Response

Noted and accepted.

Finding 1 – Continued

Medium

Management Action

Further guidance on record keeping and storing information will be provided on the HR online pages and issued to line managers

Responsibility:

Head of Employee Relations

Target Date:

30 August 2022

Finding 2 - The NHS Lothian intranet contains both the up to date policy for absence management and out of date links and guidance.

Low

Control

The Attendance Policy Guide set out guidance, roles and responsibilities in respect of the management of absence.

Observation

We confirmed that the Once for Scotland policy page link, which contains the National Attendance Policy for NHS Scotland, was accessible from the NHS Lothian Intranet. However, the legacy 'Promoting Attendance Policy and Procedures' page from prior to 2018 is also still available on the intranet. Further, there are references which are not up to date to direct staff to current practice on the intranet.

Guidance including contact details for relevant staff members and teams, helplines, absence leads per area, upcoming training and past training materials, are not in one consolidated Intranet page. During our walkthrough, we found broken links with the guidance spread across different pages. This could potentially lead to staff members unable to find the guidance that they require.

We sent a general awareness questionnaire to a sample of 37 line managers (7 March 2022). We received 10 responses:

- All respondents were aware of absence management policies. However, the answers to the narrative questions showed a of confidence of how to apply the policies in 50% of the responses.
- None of the managers who responded to our survey had attended attendance management training in the last two years.
- All staff members responded saying they had used the NHS Lothian Support pages related to absence management.

Risk

Without current and concise guidance, supported by training, line managers may not be confident in their delivery of absent management. This can result in inconsistencies in practice and/or possible breaches in absence management responsibilities.

Recommendation

Absence management guidance should be reviewed alongside links on the intranet to ensure employees are directed to the NHS Scotland national policies.

Following update, all NHS Lothian managers should be issued with the link to the reconfigured guidance and asked to confirm they have read and understood the updated guidance.

Management Response

Very extensive guidance including the policy, manager's guide, checklists, template letters etc are available on the NHS Scotland Workforce Policies website to support managers. In addition, monthly training is available which is supplemented by targeted training in areas of particular concern or on request. Managers are therefore able to access training as needed. NHS Lothian has in the region of 3000 line managers of varying capability in relation to attendance management and/or a requirement to manage absence. Annual training on absence management is not a requirement under NHS Scotland's mandatory training framework and capacity would not allow for this to be undertaken. Additionally, given the range of responsibilities that manager's have a requirement to sign off their understanding of this specific policy would not be in line with our approach or prioritisation of management accountabilities.

Management Action

The HR Online content will be reviewed to ensure it is fit for purpose in relation to absence management given the move to the national policy. Commence delivery of 'spotlight' sessions on the new national policy in addition to the monthly absence management training sessions.

Responsibility:

Head of Employee Relations

Target Date:

30 August 2022

Finding 3 – The existing absence management reporting process could be strengthened with documented review by line managers of the statistics produced.

Advisory

Control

Absence management statistics are reported to managers on a monthly basis and then onwards to the Partnership Groups.

Observation

Whilst we confirmed absence management statistics are reported to partnership groups to comment on variances, trends, and/or peaks and troughs we found there is no requirement for the line managers to document a review of the information received to confirm accuracy.

Risk

Without line managers providing documented review to confirm accuracy of identify variances and trends, peaks in absence levels may go undetected and as a result implementing mitigating actions such as ensuring return to work interviews and stage interviews are performed, may be delayed. This can result in the increased absence levels continuing longer than good practice would dictate.

Recommendation

Consideration should be given to line managers documenting a review of their absence management report, to confirm agreement with the data and that all required levels of intervention as per the NHS Scotland Workforce Policy have been implemented.

This should be monitored at a service/directorate level.

Management Response

Managers are able to directly access their absence data via the Tableau Dashboard. This is supplemented by the reports produced by the HR relationship leads to provide one level of assurance to the local Senior Management Team and Partnership fora. Service areas are also required to produce their own information as part of the quarterly performance review process with the Deputy Chief Executive therefore are already held to account for it's accuracy. As the data produced is pulled directly from the payroll data, unless staff absence is not being recorded locally, the data is accurate and does not require confirmation by line managers. With regard to confirming all levels of intervention have been implemented, as advised above, the triggers are a prompt and not an absolute requirement for move to formal stages, therefore it would be difficult to obtain assurance, other than on a case by case basis that it is implemented as that is not necessarily the expectation.

Management Action

Seek confirmation from the Deputy Chief Executive that absence management data is included in all levels of performance review i.e. Ward to Board.

Responsibility:

Director of HR and OD

Target Date:

30 June 2022

Appendices

Appendix 1 – Staff Involved and Documents Reviewed

Staff Involved

- Director of HR
- Head of Employee Relations
- Associate Director OD, Learning and Staff Wellbeing
- Coaching lead Learning and Staff Wellbeing
- Employee relations Manager (Training Lead)
- Advanced Employee Relations Practitioner (Absence Leads) for Dentistry, support services and Midwifery
- Facilities Workforce Development Administrator
- Line managers as part of our sample
- HR Systems Manager
- Corporate training lead

Documents Reviewed

- Intranet pages related to Absence Management (as at 9 March 2022)
- NHS Scotland Attendance Management Policy (effective on 1 March 2020)
- Sickness absence dashboards for Support Services, Dental Support and Nursing and midwifery (for data related to the year up to the 31 March 2022)
- Facilities management team partnership forum Workforce Reports (January 2022 and April 2022)
- Women's services promoting attendance at work training slides (February 2022)
- Summary of resources to support staff with anxiety, stress, depression or other psychiatric illness presented at partnership meetings (11 February 2022)
- Teams training slides (April 2022)
- Promoting attendance Pop quiz (created 12 March 2020)
- People management training via teams SOP (23 September 2021)
- Sickness Absence – Women's & Children's Services (December 2021 data presented in January 2022)
- Attendance lists extracted from Eess from 30 November 2020 to 31 October 2021 and supporting documentation on a sample basis.
- Training attendance lists for requested training by service area (Facilities: April 2022)
- Eess Management in Practice training report (run on the 6 April 2022 detailing attendance of training sessions held between 14 January 2021 – 16 December 2021 including the following training session dates: 11 February 2021, 25 February 2021, 11 March 2021, 25 March 2021, 11 April 2021, 2 April 2021, 8 April 2021, 29 April 2021, 27 May 2021, 3 June 2021, 29 July 2021, 12 August 2021, 26 August 2021, 9 September 2021, 23 September 2021 and 7 October 2021)
- NHS Scotland Workforce Attendance Policy Guide to Occupational Health Service (effective on 1 March 2020)
- Coaching Application form (20 April 2013)
- Attendance Policy Guide for Employees (effective on 1 March 2020)

Appendix 2 – Our IA Report assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Definition	When Internal Audit will award this level
Significant assurance	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable. The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)</p>
Moderate Assurance	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied.</p> <p>There remains a moderate amount of residual risk.</p>	<p>In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant".</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)</p>
Limited Assurance	<p>The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.</p>	<p>This may be used when:</p> <ul style="list-style-type: none"> There are known material weaknesses in key control areas. It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>
No assurance	<p>The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.</p>	<p>The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)</p>

Appendix 2 - Continued

The table below describes how we grade our audit recommendations based on risks

Rating	Description	Possible features
High	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> ▪ Key activity or control not designed or operating effectively ▪ Potential for fraud identified ▪ Non-compliance with key procedures / standards ▪ Non-compliance with regulation
Medium	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> ▪ Important activity or control not designed or operating effectively ▪ Impact is contained within the department and compensating controls would detect errors ▪ Possibility for fraud exists ▪ Control failures identified but not in key controls ▪ Non-compliance with procedures / standards (but not resulting in key control failure)
Low	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	<ul style="list-style-type: none"> ▪ Minor control design or operational weakness ▪ Minor non-compliance with procedures / standards
Advisory	Items requiring no action but which may be of interest to management or which represent best practice advice	<ul style="list-style-type: none"> ▪ Information for management ▪ Control operating but not necessarily in accordance with best practice



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